

COST *and* MANAGEMENT

THE OFFICIAL JOURNAL OF

THE CANADIAN SOCIETY OF
COST ACCOUNTANTS & INDUSTRIAL ENGINEERS

INCORPORATED 1920

HEADQUARTERS, 81 VICTORIA STREET, TORONTO

Telephone ELgin 8914

Vol. 9

JULY, 1934

No. 7

CONTENTS

COST ACCOUNTING AND BUDGETARY CONTROL. K. A. Mapp, F.C.A.	194
BUDGETARY CONTROL	204
TARIFF BOARD POWERS ARE RESTRICTED	209
CHAPTER NOTES	210
TREND OF PRODUCTION COSTS	211
TARIFF AND TAXATION	212
DEPRECIATION—A REVIEW OF LEGAL AND ACCOUNT- ING PROBLEMS	220
PROBLEMS OF REGULATION OF PUBLIC UTILITIES	221
THE ACCOUNTING PROFESSION	222
REFERENCE LITERATURE	222
A STATISTICAL REVIEW OF THE SOCIETY	223
PRINCIPAL OFFICERS OF THE SOCIETY SINCE ORGANI- ZATION	224

Subscription price to non-members, \$5 a year. Single copies 50 cents.
Members desiring 5 copies or more of a single issue may obtain them
at 25 cents each.

Cost Accounting and Budgetary Control

By K. A. MAPP, F.C.A.
Henry Barber, Mapp & Mapp, Toronto.

(Before Hamilton Chapter, February 21, 1934)

ACOUNTANTS and cost accountants today are playing a very important part in the complexities of business. I think that to a degree this was always so but certainly it was not always admitted; for we do not have to look back so very far, relatively speaking, to find a general impression abroad that all such individuals were a necessary evil, contributing little or nothing of a constructive character for the advancement of business and to be used solely for the purpose of recording past history in terms of dollars and cents. But gradually and steadily, I am happy to say, this has been changed and it has been said that one of the major reasons is that executives who employed bookkeepers to carry out what they considered a necessary but somewhat useless function of recording began to take a more personal interest in accounting because they came to realize that they had to depend upon the operation of the accounting system for information essential to the effective conduct of their respective businesses. From interest in the accurate analysis of the results of transactions they passed to inquiry into causes and quite naturally this soon involved them in the intricacies and mysteries of business costs. The responsibilities in connection therewith had quite properly to be delegated to others and so today there has been built up a body of accountants and cost accountants—highly trained men—men such as you are—men with vision—men who have the ability to translate the results of the past into the terms of the future and men who are performing a very important and useful function in the business world of today. Let us each one, gentlemen, see to it that we discharge our responsibilities in a proper and efficient manner and respect the trust that has been confided in us.

But to get back to my subject. I must confess that the title "Costing and Budgetary Control" is somewhat of an all embracing one. When we consider that a full evening might profitably be devoted to the consideration of any one of such matters as:

Standard Costs,
Labor Costs,
Material Costs,
Systems of Wage Payments,
Distribution of Overhead,

and many others, all of which are embraced in the word "Costing" and when we also consider the many ramifications of budgetary control, I think you will agree with me that I shall be forced to deal with the combined subjects in a fairly general manner.

Uses of Costs

Costing or a cost system may briefly be defined as the records of a business devised to enable the administration to be kept constantly

COST ACCOUNTING AND BUDGETARY CONTROL

informed of the outlay necessary to enable the concern to perform a certain service, complete a process or produce a commodity, but you will agree with me that cost systems are destined and indeed have accomplished a great deal more than this. Let me just mention a few benefits which no doubt you are familiar with:

1. The elimination of waste.
2. To detect losses.
3. To indicate profitable and unprofitable lines.
4. To check and control inventories.
5. To check estimates.
6. To segregate departmental profits or losses.
7. To determine when to buy rather than to manufacture certain articles or parts.

8. To obtain information necessary for preparation of budgets.

These are only a few and could easily be amplified, but they are sufficient to warrant all the time and expense, if it can be termed such, necessary for proper costing and the results that have been obtained, to your knowledge and to mine, are convincing in themselves that no business can be properly conducted unless adequate attention is paid to this all important subject.

Now let us proceed to a consideration of the elements of costs, which as you know are materials, direct labor and overhead.

Materials and supplies, I venture to say, in most factories constitute the largest element of cost in the finished product and I think a great educational work has already been accomplished in bringing factory employees to a realization of the necessity of conservation and the elimination of waste. But with all the efforts that have been put forward in this direction there still remains in practically every industry the serious problem of losses incurred by misconception on the part of employees of the money value of materials and supplies. Our cost systems should therefore be devised with a view to bringing such losses into the limelight in order that corrective measures may be applied.

Raw Materials

The logical steps in bringing materials into a factory may be summarized as follows:

1. Request for purchase or purchase requisition.
2. Purchase order.
3. Receiving report which is issued by the receiving department after the goods have been checked with the purchase order.
4. The materials are then sent to the stores department where the receiving report is verified and approved by the storekeeper and the necessary entries made by the stores clerk in the stores ledger.

After this the various documents are forwarded to the purchasing and accounting departments where they are prepared for entry in the general books of account, all of which procedure you no doubt are quite familiar with.

Just in passing I would like to make brief mention of the question of freight and express on incoming shipments. I listened to a very interesting address a few weeks ago by the traffic manager of one of our largest departmental stores and was most forcibly impressed with the savings he had been instrumental in making for his firm by a thorough and systematic checking and analysis of transportation charges. Not only did he disclose errors in rates and also freight charges paid which should have been borne by the shipper, but he demonstrated very clearly that in many cases goods were ordered

COST AND MANAGEMENT

to be shipped by express when the cheaper method of transporting by freight would have made the merchandise available to the store at the time required. I only pass this on to you as a suggestion of what you also may be able to accomplish for the companies you represent.

It is impossible for me, owing to the limited time at my disposal, to discuss with you the forms necessary for the proper recording of the receipt of materials and supplies. These must of necessity be planned and devised according to the particular needs of your industry, but I could leave with you just a few suggestions:

1. It is essential that the employees in the receiving department be thoroughly honest and imbued with the responsibility resting on their shoulders to see that the firm receives value for the cash which will eventually be disbursed. This responsibility must also be shared by the storekeepers.
2. See to it that your stores department is efficiently organized. When we consider all the wasted effort, the loss of time, the spoilage of material and excess inventories that have come to our notice, all of which can be translated into loss of cash, I cannot urge you too strongly to direct your efforts towards proper housing and location of your materials and supplies, arrangement in such a manner as to take full advantage of the space at your disposal, while at the same time ensuring speedy withdrawals as required and also a proper control of maximum and minimum quantities.

These objects can all be accomplished by a proper co-ordination of effort between the office and the factory.

Let us proceed now, if you will, to a brief consideration of the procedure necessary for the consumption of materials.

Production Order

The first step is the preparation of the production order which is usually issued by the management in co-operation with the sales department or possibly by the factory manager if the production is for stock. These orders, which may also entail sub-production orders, must contain certain definite information as to quantities, specifications (usually by symbols) any special features and also the date by which the work should be completed and sufficient copies should be made to furnish the factory foremen, the cost department, the stores department and possibly the production department. Then follows the material requisition to the stores department, where after issue, the necessary entries are made in the stores ledger and a copy of the requisition is forwarded to the cost department.

Upon receipt of the production orders, the cost department will put into operation material, direct labor and factory overhead cost sheets and also the master cost sheets, all of which are summarized upon completion of production orders and forwarded to the accounting department where they form the basis for the entries in the general books of account. In passing I would bring to your attention the value of the material cost sheet in comparing quantities used with standard quantity requirements. Careful and systematic analysis of these may result in the disclosure of unnecessary waste by carelessness, spoilage and the like, the correction of which is one of the principal functions of a cost system.

Direct Labour

We now come to the second element of cost, namely direct labour, which as you know is the labour to be directly applied in the conversion of materials into the finished product and concerning which our records must be devised to provide the required information of the amounts to be paid to employees and the distribution of such disburse-

COST ACCOUNTING AND BUDGETARY CONTROL

ments to definite production orders or processes. Whether wages are paid on a time or piece work basis, there must be proper control of the hours spent by operatives in the factory. This is obtained by the use of time clocks which still today play a very important part in the general control of labor time and which provide a check on subsequent and more detailed labor reports.

The next step after the time clock card, is the individual daily time report. There are in use today, very many different kinds of daily labor reports designed to meet various conditions but usually containing, among other things, definite information as to:

Employees name and factory number.

Department number.

Production order numbers.

Operation and machine numbers and the time spent on each.

Total hours, rate and amount of wages.

The quantity produced and the unit cost.

Amount of lost or non-chargeable time, which must be carefully analyzed and investigated.

After the reports have been approved by the foreman, they are forwarded to the timekeeper or pay roll clerk where comparisons are made with the clock time, and after the necessary arithmetical calculations have been made, are entered on the weekly payroll.

May I digress just for a moment, gentlemen, to emphasize the necessity of having a man in charge of the payroll department who is blessed with a good measure of common sense. Factory employees are for the most part thoroughly honest and very human and there is nothing they dislike as much as receiving less in their pay envelopes than they feel they are justly entitled to. A good payroll man can do much towards building up and retaining a spirit of goodwill in the factory while still preserving the interests of his employers.

From the payroll department, the daily time reports pass to the cost department where they are summarized and entered on the direct labor cost sheet, which is designed to accumulate the direct labor costs on definite production orders, showing the various operations, the unit cost per operation, standard unit costs and revealing any variations, which must, as with materials, be carefully investigated. Upon completion of production orders, the direct labor costs are summarized for the use of the accounting department in carrying the results into the general books of account.

In these days of efficient organization, there have been developed many wage systems, premium and bonus systems and mechanical aids which I have not time to even refer to this evening except to commend them to your careful study in order that the experience of others may be of some profit to you.

Overhead

The third element of cost is overhead. It has been said that no expenses in a factory are less understood than those coming within this category. I do not believe this exactly true today, for certainly of late years, executives and cost accountants have realized that a proper understanding and control and a correct application of all such expenses have a most important bearing on the ultimate results, and by reason of the peculiar conditions existing at present they have been forced to come to grips with overhead expenses as never before.

It has no doubt become apparent to you that every method of distribution of overhead has its shortcomings and that none has yet developed that degree of perfection we are all striving after. I think I am also safe in saying that every system has been the outgrowth

COST AND MANAGEMENT

of the peculiarities of various industries and that changes and modifications are almost constantly necessary.

Application of Overhead

I will continue, therefore, if you will permit me, to a short discussion of the application of overhead to definite production orders.

Factory overhead consists of indirect labor, supervision, light, heat and power, insurance, taxes, building and machinery repairs, depreciation and certain general expenses of operating departments. There may, of course be other items, but the ones I have outlined constitute a fairly general list.

In the mechanical age in which we live, production depends to a large extent on machines and it therefore seems reasonable that overhead should be allocated to these production units on the basis of a machine hour rate. I am not suggesting for one moment that all manufacturing expenses should be dealt with in this manner. Supervision, certain classes of indirect labor and general departmental expenses are more equitably provided for by a direct labour hour rate, but I believe that a combination of these two methods of distribution is essential for a proper allocation of factory overhead.

You will readily appreciate that a predetermining of overhead rates is necessary in order to establish certain standard charges to be applied during an ensuing fiscal period. This is accomplished by the preparation of a factory overhead budget, the items in which are determined from past experience and future expectations and applied to the various operating departments. Let us look then at the various expenses contained in the budget and the methods by which they are translated into overhead rates. First we have the general overhead expenses consisting of departmental indirect labour and lost or non-chargeable time, which are estimated according to departments from the pay rolls, and also the salaries and expenses of the superintendent's office, the cost department and the pay roll and employment departments which may be apportioned to the operating departments on the basis of labor hours. The aforementioned items constitute those to be distributed on a direct labor hour basis and having compiled a total for each department and having also estimated the average annual direct labor hours for the departments, it is a simple matter to establish the departmental rate to be applied to the direct labor hours on production orders.

The next group of expenses are those which can be applied to definite production centers and which are absorbed on the production orders on the basis of a machine hour rate. They include power and light, rental space embracing a proportionate cost of taxes, insurance, depreciation and repairs on the building and also the expenses applicable directly to the machines such as insurance, depreciation, repairs and supplies. Having allocated these expenses to the various departments, it is necessary to still further break them down to definite machine centers and machines. This is accomplished by calculating the horse power used by each machine or group of machines, the number of lights used, the space occupied, the insurance and depreciation according to values and the repairs and supplies as estimated according to past performance. It is then possible to establish the normal average hours the machine should operate each year, and this number divided into the total overhead allocated to each machine gives the machine hour rate. Of course, we all know that this procedure does not work out as satisfactorily as it would appear on paper, and that we are constantly faced with machines breaking down, with under production and with actual machine hours varying from our estimates, all of which create unabsorbed burden. But these are

COST ACCOUNTING AND BUDGETARY CONTROL

difficulties that we are bound to encounter and the true worth of a cost accountant is in his ability to deal with them as they arise.

Having arrived at the machine hour rate, provision must be made to accumulate daily the hours of individual machine performance on the various production orders. This information is readily available from the daily time reports and at the end of the month may be transferred to a monthly summary of machine overhead according to production orders and showing also the amount of unabsorbed burden.

The Master Cost Sheet

From all the information we now have it is possible to compile the master cost sheet which will give us the following information:

Production order number.

The quantity produced.

The various department numbers.

The material costs in each.

The direct labor hours and cost.

The general overhead.

The machine burden.

The total cost.

And the unit costs by departments and also according to materials, direct labor and overhead.

These master cost sheets not only form the basis for the general journal entries but are of great value for analytical purposes and checking the efficiency of the various departments.

I have endeavoured, gentlemen, to give you a brief outline of costs as applied to production orders. We might well consider together other systems; I realize also that we have not touched on such important matters as:

The extent to which the general ledger should control the cost accounts;

That much debated subject of depreciation;

The treatment of selling and administration expenses; and many other factors, but I am compelled to hurry along. Just let me leave with you one word—Be sure you are the master of your cost system and that it does not master you—Consider very carefully the information you are endeavouring to obtain, benefit by the experience of others and direct your efforts towards making your cost system of real value to your employers.

Budgetary Control

One of the more recent and most important trends of business administration and one which has proved to be a distinctly stabilizing influence in industry is the business budget. There are still many conflicting opinions as to what constitutes a budget, what factors should be taken into consideration in its preparation, the extent to which it should control production, the advisability of disclosing its contents to other than the executive officers, whether the production department or the sales department should be the guiding influence in its formation; these are, however, only natural with any new departure and I hope they will not deter any of you in your efforts to build and establish budgets and exercise budgetary control for I am firmly convinced that it is expected of you, as an accountant, to assist management in interpreting what the recorded figures imply as to possible future conditions.

Industry is in business to make a profit—we may talk about service—we may talk about filling a need in the community—we may talk also about keeping men employed—they are all very true and

COST AND MANAGEMENT

admirable but I think we are all frank enough to admit that the dominant thought behind all these activities is that they will culminate in a profit and executives are becoming more and more convinced that upon the care and accuracy with which their estimates are made depend to a large degree the attainment of this objective.

For many years now practically every company has had some form of a budget or forecast—perhaps a sales budget or production programme or some figures compiled by the treasurer, but it is only of late years that there has developed a co-ordination of effort between all departments, management, manufacturing, selling and distributing, in planning and controlling for the attainment of a definite objective.

Many advantages and benefits accrue to a Company wise enough to devote time and thought to the preparation of a proper business budget. I will not burden you with a lengthy list but just let me call your attention to a few:

1. It requires management to make a close study of potential markets by products and by districts and thus assist in eliminating losses by concentration on profitable areas and products.
2. By compelling executives to study and forecast general economic conditions and probable changes, it exercises a steady influence.
3. It attaches definite responsibilities to each department and by establishing objectives stimulates the efforts of the entire personnel of the organization.
4. It controls purchasing, assists in obviating periodical opening and shutting down of certain sections of the plant, demands an adjustment of overhead in accordance with volume and protects potential profits by eliminating wasteful methods of selling and distribution.
5. By comparing estimated and actual results from month to month it places in the hands of management the information necessary to check departments that are not functioning properly.
6. It assists in controlling that most vital item in industrial operation—namely the inventory.
7. The financial budget predetermines the extent to which financing will be necessary and if properly prepared and presented will be of great assistance in obtaining banking accommodation as required.

To those whose experience in budgeting has perhaps been somewhat limited let me say that you will not develop your budget to a degree of perfection in your first or second attempt—indeed the more you study the subject and the more budgets you prepare, the greater will be the desire on your part to overcome deficiencies of previous budgets by developing additional facilities and data.

Let us consider together then some of the matters that must receive our close attention in the preparation of a budget. I referred a moment ago to the question of whether a budget should be built up from the possible production in a plant or whether it should be founded on a reasonable expectation of sales and while admitting there must be close co-operation and co-ordination between these two departments for the reason that the sales department is dependent on the production department to manufacture the goods ordered and the production department is dependent on the sales department to sell the goods it manufactures, I believe we can all agree that, under present

COST ACCOUNTING AND BUDGETARY CONTROL

conditions, a proper sales budget must be the foundation of our general control and plans.

The Sales Programme

In looking ahead, say for a year, at our sales programme, there are many factors to be taken into consideration; it is not by any means sufficient to take the total sales for four or five years past and attempt to either increase them on a percentage basis according to the normal growth of the business or reduce them in a similar manner to a basis that would be consistent with present day conditions. There must be close study of conditions in various parts of the country and the country as a whole; consumer markets according to products must be carefully estimated in order to establish a budget by districts and, by comparison, ascertain those sections of the country where you are not obtaining your share of the potential buying power. This may reveal the necessity of increasing your selling activities or a re-allocation of territories to your present selling force. You must also know what trades are buying your products and the extent to which your selling appeal is productive; such knowledge may reveal possibilities of reaching industries that you have scarcely touched and may influence you in making provision for expenditures for the purpose of contacting with new trades. Perhaps you will be tempted to say that these are functions of the sales department—true enough—but let me remind you that a successful budgetor is one that cannot only set up figures but also provide the information necessary for constructive planning. Other factors that will influence the sales budget are price revisions, discounts, changes contemplated in selling policy as between manufacturers, jobbers and retailers, extension of territories or establishment of new branches all of which affect materially the establishing of standards of performance. I believe also that it is very helpful to make an analysis of the size of your accounts—perhaps at first generally and then later according to products. This will possibly reveal that a considerable portion of your business is transacted with a very large number of customers purchasing in small quantities with a resultant high proportionate cost for order-handling. At all events, it will present a picture that will be an incentive to the Sales Department to work customers into a higher classification.

You will of course appreciate that an analysis of sales according to commodities or units is essential for proper control of production activities which depend on an accurate estimate of quantities to be produced at stated times. This will entail a survey of total units sold in various districts in order to establish average prices which may vary considerably according to the selling policy of the Company.

Production Schedule

When this tentative unit sales budget is ready it must be submitted to the production department for the purpose of ascertaining its relationship to the plant capacity when it may be found advisable to increase certain sections of the sales budget in order to carry on manufacturing operations more economically. The production department will also review the proposed sales budget and temper same according to inventory conditions. For example, the sales budget may call for 1,000 units of a certain product but on investigation it is found that 400 of these are already in stock and that it has been deemed advisable to endeavour to reduce the number in stock at the end of the year to 200. It is apparent then that the production budget will call for 800 units. You will therefore appreciate that although these two budgets are co-ordinated, yet the quantities may be very different. Other factors that will influence the preparation of the production budget are the manufacturing of new products which will possibly be

COST AND MANAGEMENT

placed on the market in the following year and the expenditures in connection therewith for moulds, tools, etc. Then it is essential that the purchase requirements be established to conform to the manufacturing schedule. This is accomplished with the co-operation of the purchasing department and must of course be influenced by the quantities of raw materials and supplies on hand and the wishes of the management with regard to the inventory at the close of the year. After the quantities to be manufactured have been properly established, it is the duty of the production department to plan for a steady flow of production through the plant over the entire year thereby stabilizing employment as far as possible. Many difficulties will be encountered in pre-determining a manufacturing programme, but the resultant benefits of a smaller labour turnover, the goodwill of the employees and reduced factory overhead expenses most certainly warrant the time and effort. From the manufacturing schedule it is possible to establish the labor budget which is not only essential for costing purposes but also for use in the cash budget which I will refer to in a few minutes.

You will therefore gather that the sales budget is the forerunner of and the guiding influence in the preparation of the production budget, which in turn assists in pre-determining the manufacturing schedule thereby establishing the amount of materials and labour required from month to month. You will also appreciate that the difference in quantities between the sales budget and the production budget means either an increase or decrease in the inventory.

The sales budget is then sent to the cost department in order to determine the cost of sales as regards material and labour and we can therefore proceed to develop an overhead budget. In doing this proper control must be established so that the factory expenses are absorbed in the manufacturing operations, thereby obviating the necessity of having to deal with a large amount of unabsorbed overhead. This will necessitate estimates from the various departments of the indirect labour required according to the manufacturing schedule giving the number of employees and the amount of wages, all of which must be carefully reviewed and made to conform with the amount of production in the plant.

Overhead Items

In developing the other overhead expenses I fully realize there are certain fixed and semi-fixed as well as variable items, but I do not believe it is wise to be unduly influenced by any previous or average performance. We must look at the programme that is ahead of us, measure our expenses accordingly and establish definite standards according to volume of various products. After the total overhead expenses are budgeted, approved and allocated to each department, it is necessary to distribute them on a monthly basis over the year, which information should be given to the factory superintendents and foremen in order that they may be fully conversant with their responsibilities and alive to the necessity of adjusting the variable overhead in case of direct labour cuts or production not in accordance with the manufacturing schedule.

We now have the total factory expenditure budget and also the factory cost of sales and the difference between these, subject to any reserve for obsolescence, represents the increase or decrease in the inventory which can be set up on a monthly basis.

Let us pass on then to the next step which is the development of the selling, distributing and administrative budget. Cost accountants have already accomplished much in cutting costs and eliminating waste in production and they can make a very valuable contribution

COST ACCOUNTING AND BUDGETARY CONTROL

to industry in studying, controlling and reducing costs of selling and administration. Potential profits are often entirely lost by lack of control of these expenditures and it is vital that they be budgeted for in line with the gross profit available in order to safeguard the net profit.

Due to the serious decline in sales volume and increasing competition during the past few years, executives have been called upon to study selling and marketing costs almost as minutely as production costs and where formerly it was fairly general practice to regard these expenses as a ratio to the total sales volume now it is almost imperative that they be apportioned to various products. This procedure has brought to light many interesting facts; it has demonstrated that the expense applicable to certain products is far in excess of the gross profit; it has shown that advertising appropriations have been poorly distributed; it has been instrumental in more efficient allocation of sales forces; it has been the cause of a closer study of methods and costs of delivery; but above all, it has brought about a realization, particularly to sales managers, that close study and analysis of expenses coming within this category may be productive of results equal to or perhaps greater than those obtained in studying factory costs. I fully appreciate the difficulties that will be encountered in arriving at a set up by class of products; I know also that some sales executives do not wish to be confronted with the facts regarding certain products, but if these matters are approached with a spirit of co-operation and properly presented they will be an incentive to find ways and means to turn losses into profits.

When the total selling budget is completed it is possible to establish a standard basis which may be applied during the year and also distribute the expenses on a monthly basis having regard to seasonal expenditures.

Administrative expenses should also receive your close attention. I know the poor old office staff comes in for a lot of criticism—in many cases unwarranted, but there is a great opportunity for you as accountants to study your office methods, to eliminate unnecessary records, to adopt mechanical aids and to see to it that your office is functioning efficiently.

The Cash Budget

Now a word just before closing with regard to the cash budget. It is vital that you estimate your cash position from month to month and quite naturally it must be co-ordinated with the operating budget. I have been forcibly impressed the last few years with the success that has attended the efforts of certain persons who were somewhat skeptical of the possibility of forecasting the cash position and the benefits to be obtained thereby. Not only have they become enthusiastic, but each year they are setting higher standards for themselves by the accumulation of valuable data with resultant benefits to their employers. A careful survey must be made of the trend of collections over certain definite periods and this must be adjusted to the budgeted sales volume. This then establishes a definite goal to work to and as variations occur they will be the signal for increased effort on the part of the collection clerk to maintain the standard set. Expenditures are set up in line with operating budgets, eliminating such items as do not affect the cash position and absorbing the others on a predetermined schedule of payments. The cash budget will then indicate the time and the extent to which borrowing will be necessary and the probabilities of repayment, all of which is very essential information for the company and its bankers.

COST AND MANAGEMENT

My remarks this evening, gentlemen, can only be construed as a broad outline of the subject before us. Details must be carefully considered and methods adopted to suit your own requirements, but I hope that I have been able to convey to you the importance of the work you are engaged in and the many opportunities that are yours to render valuable service. Your employers are counting on you for constructive planning and whole hearted support. They are confronted today with many problems and difficulties—if these were purely local they might easily be overcome, but such is not the case for we find such matters as unemployment, severe competition, restricted export markets, railway problems, debt charges that have passed the bounds of all reason, over-capitalization and gross waste on the part of governing bodies confronting us all over the Dominion. But still the solution of these might not be far distant if they were confined to our own Country, but unfortunately today we find the whole world is in a chaotic condition—international misunderstanding—countries selfish in their outlook trying to live unto and within themselves—weak nations still being oppressed by stronger ones—the lessons of the last Great War apparently forgotten and many other disturbing features. I do not wish to emphasize them because I believe statesmen today are extending herculean efforts towards a solution but for the present they have a very disturbing effect in the minds of all industrialists. I only bring them to your attention to emphasize the great opportunity that is ours to render efficient service to those to whom we are responsible and if we do this—if we extend our best efforts—if we keep proper control of ourselves—if we devote ourselves conscientiously to the tasks that are allotted to us, then not only shall we hasten the day when some of our more pressing problems will be solved, but to each one of us will come that measure of success that not only are we striving for but that we are justly entitled to.

Budgetary Control

Replies to Society's Questionnaire Show that Representative Firms Have Adopted Budgets with Fairly Satisfactory Results.

CORRESPONDENCE of the Canadian Society of Cost Accountants and Industrial Engineers with numerous firms throughout Canada, and discussions at some of our meetings, indicate such a degree of interest in budgetary control that a questionnaire was sent out early in May with a view to gaining some idea as to what has been done in Canada. The questionnaire was sent to a limited number of firms, and of course only some of these have replied, so that the results fall far short of any thorough census. They do, however, indicate adoption of budgetary control, more or less completely, by Canadian firms in a great variety of industries.

In the questionnaire, nine questions were asked. These are repeated below, with a brief summary of replies.

1. Have you budgetary control to any degree?

Answers in the affirmative come from varied types of manufacturers, also from construction and public utility concerns. These indicate that budgets, in the consideration of some at least, are not necessarily limited to certain well defined lines of business.

BUDGETARY CONTROL

2. When was it adopted?

All of these are naturally of recent years, the earliest reported being 1924. Some report definite dates, while in some cases obviously the practice of budgetary control grew gradually.

3. How complete is it, i.e., to what phases of the business does it extend?

A wide variety of practice appears on this point, some confining it to apportioning of overhead, while others have a complete or nearly complete budget.

4. Have you a budget committee, and what officers are on this committee?

Very few Canadian companies have gone to the extent of setting up a special committee such as is found in many concerns in the United States, the handling of the budget being absorbed into the regular work of the management and of the accounting officers in particular.

5. What officer is in charge of administering the budget?

In the absence of a special committee or executive officer, this evidently comes under the work of the accounting head.

6. What periods are used—Year, half-year, quarter, or month?

The year appears to be the shortest period in one case. Few work it out for the calendar month. The half, the half-year, the quarter, and thirteen periods of four weeks each, are evidently the most satisfactory.

7. What degree of accuracy have you experienced in your budget?

Replies to this question are quite definite in some cases, but the question apparently had different meanings as applied to different phases of the business. Sharply changing conditions in recent years have thrown sales results out of line with sales estimates in many cases, but expense variations were more successfully budgetted.

8. What gains have you realized through budgetary control?

Scarcely any have attempted to estimate the gains, if any, in actual figures. All who report using budgets, feel that there are definite advantages, in the setting of objectives, in controlling results to at least some degree, and in throwing attention quickly on new or unusual items of expense.

9. May we use your firm name in publishing a survey?

The replies generally indicate no special desire for secrecy.

Representative Replies

Some representative replies, in detail, are given below.

A Construction Company

Canadian Vickers, Ltd., Montreal, prominent in shipbuilding and construction works, sends the following reply through J. W. Savident, comptroller:

1. Yes.
2. 1930.
3. Practically all.
4. No.
5. Comptroller.
6. Thirteen four-week periods.
7. Fair under existing uncertainties of business.
8. Chiefly control of expenses.

A Brick Manufacturing Company

Citadel Brick, Ltd., of Quebec, manufacturers of brick, report briefly that "we made up a budget two years ago, but this industry

COST AND MANAGEMENT

has been operating so far below normal, we found it useless, forecasting being so far wrong."

A Biscuit and Confectionery Company

David & Frere, Ltee, of Montreal, one of Canada's largest manufacturers of biscuits and confectionery, report as follows through T. Smyth, chief accountant:

1. Yes.
2. January 1, 1932.
3. Everything except raw materials, containers and direct labor.
4. No committee, directly controlled by the chief accountant.
5. The chief accountant.
6. One calendar year of thirteen periods.
7. Exceptionally good. 1933 was correct to .00275 of total sales.
8. Check on extraordinary expenses of any kind.

A Food Products Company

General Foods Limited, prominent throughout Canada, report as follows through D. C. Kidd, office manager at Montreal:

1. Yes.
2. 1924.
3. All phases—Unit of Sales—Income—Production—Selling Expenses—Advertising.
4. Vice-president & general manager—sales manager, assistant treasurer, sales promotion.
5. Assistant treasurer.
6. Quarter.
7. Sales within 10 per cent. Production and all other expenditures well below 5 per cent.
8. Definite control.

A Metal Products Company

A company prominent in the manufacture of metal products reports:

1. Partial only. Not operated in connection with standard costs.
2. Towards the end of 1932.
3. Covering certain burden accounts only.
4. No. Budget control considered one of duties of executive committee.
5. The comptroller.
6. Year.
7. Actual expenditures within approximately 5 per cent of budget.
8. Difficult to calculate in dollars but we are convinced that great savings have been realized through check on the expenditures we budget for.

A Paper Box Company

One of the most prominent companies in the manufacture of paper boxes reports:

1. Yes.
2. Sales budget first in 1926. We have added gradually for last five or six years, a complete budget, being improved all the time.
3. Practically all phases.
4. No.
5. Manager and comptroller.
6. Year, half year and quarter for sales, and month for labor and all expenses.
7. Ours is entirely a special job order business and our sales budget during 1930, 1931 and 1932 left considerable to be de-

BUDGETARY CONTROL

- sired. However, 1933 we hit very accurately. Labor and expense budgets have been more satisfactory but the very nature of our business and the depression years have made it exceedingly difficult to obtain the control we have desired.
8. We know our business more thoroughly—we have made savings by focusing attention; but the greatest gain is in having objectives.

A Woollen Goods Manufacturer

York Knitting Mills Limited and associated companies, Toronto,
E. D. MacPhee, comptroller, report as follows:

1. Yes.
2. Several years ago.
3. All phases.
4. No committee; department heads assist in planning.
5. The comptroller.
6. Half-year.
7. Reasonable.
8. Impossible to estimate.

Canadian Kodak Company Ltd.

One of the most complete descriptive replies received is from Canadian Kodak Company Ltd., Toronto, J. W. Spence, chief accountant. He writes:

1. We have endeavored to budget every phase of our business but have given particular attention to administrative, selling and manufacturing expenses. Production materials are budgeted to the extent of carrying adequate stocks and whenever possible, taking advantage of market conditions without exceeding normal requirements. Direct Labor is practically all standardized and we have reached a point where actual performance comes very close to our standard set-up, as we insist that standard conditions be strictly observed in order to safeguard the quality which is of supreme importance in our particular business.
2. Our first budget covered selling and manufacturing expenses only, including materials, indirect labor, fixed and variable expenses and was commenced in January, 1928.
3. Sales are budgetted in total only as we do not set quotas but simply use the total figure, which is based on general business conditions, etc. as a guide for the purpose of budgetting some items of expense. Administration and selling expenses are budgetted to include about fifty sub-divisions which we find enables us to obtain very close control. All production departments are budgetted as to manufacturing expenses, which are sub-divided as to indirect labor under about twenty-seven headings, expense materials and outside services under fifteen sub-headings. Engineering and Maintenance department charges are sub-divided under seven headings, General plant and power charges, including depreciation, are also subdivided as to electricity, steam, refrigeration, etc.
4. We have no committee but it is under the active supervision of chief accountant and the superintendent of works.
5. The Treasurer.
6. As our plant operates under the thirteen period calendar, that is thirteen periods each of four weeks, the budget is for the first six periods of the year and the last seven. These budgets are sub-divided to single periods of four weeks each, and actual performance shown against the amount budgetted.

COST AND MANAGEMENT

One statement is prepared for each department, showing accumulating totals, and submitted to the department head at the end of each period, so that he knows the exact position. Comments and questions are invited, so that each item of expenditure is thoroughly understood. These figures are also reviewed by the Superintendent of Works who receives, in addition, a summary indicating totals of controllable and non-controllable expenses.

7. We have never had a variance exceeding 5% high or low, but this is no measure of accuracy unless the rise and fall of production is taken into consideration. In order to increase the efficiency of our budget control plan, we have within the past few years, set up variable budgets, in other words, we have budgeted every item of expense at various levels of production. This entails considerable detail work, but the plan is just beginning to show results, which, so far, have been entirely satisfactory, as the variances last year averaged only 1½%. These figures, of course, do not include any large unforeseen expense item, such as might be caused by the break-down of an important piece of machinery, such items being shown separately, although they occur very infrequently.
8. It is difficult to measure these gains in actual dollars, but we have closer control and find that by taking the superintendents into our confidence, they are much more ready to co-operate when they see the amount of money actually involved.

"We are making every effort to extend the control that we have built during the past few years.

"If any of your members are interested in the sub-division of accounts or general set-up, we shall be glad to hear from them."

A Lithographing Company

Wright Lithographing Company, Ltd., London, Ont., reports:

1. See letter (below).
2. 1916.
3. Fixed charges to departments.
4. Cared for by accountant.
5. Accountant.
6. Quarterly, but until recently monthly.
7. Fairly accurate.
8. Principal benefit is proper allocation of expenses to departments monthly.

The letter referred to, signed by Jas. H. Harley, reads in part:

"The writer has never considered that our system was budgetary control owing possibly to lack of knowledge of just what budgetary control requires. According to the writer's understanding of budgetary control it is a system of pre-determined departmental expenses within which it is desirable to stay.

"Our fixed over-head expenses are estimated and charged to departments monthly but running expenses for current needs are not budgetary in any way. We installed our cost system in 1916 and have followed it very carefully ever since. Our cost system has been of very great value to us through properly allocating our expenses to our various manufacturing departments and its installation has enabled us to know precisely what our costs of manufacture are, which formerly was a matter of guess work.

"In answer to question 7. You ask what degree of accuracy we have experienced in our budget. The items to which we referred

TARIFF BOARD POWERS ARE RESTRICTED

are fixed and there is not much chance of variation, as interest on investment, salaries, depreciation, remain constant and therefore there is no reason why there should be much discrepancy in these figures and as stated above the uncertain items of current expenses and supplies are not budgeted in advance by us."

A Public Utility Company

The accounting head of one of the largest public utility organizations in Canada writes as follows:

"This company and associated electrical and gas companies have been using a budgetary control system in a modified form for the past five years, and you may consider this, as a return from two natural gas companies and four electrical companies, one company operating electrical properties in widely scattered districts in two provinces.

"Our system of budgets is quite complete, covering all items of revenue and all expenditure accounts as set up in the classification of accounts issued by the National Association of Railroad and Utility Commissions. An examination of this classification of accounts for both gas and electrical companies will show you the immense amount of detail that is gone into for budget purposes.

"The nearest approach to a budget committee is the department head in collaboration with the accountant, the administration is the vice-president, and budgets are prepared on a monthly basis.

"Owing to the fact that our revenue in gas companies is dependent largely on weather conditions, the degree of accuracy leaves something to be desired. The revenue in the electrical companies is however, reasonably correct, and expenditures are in the majority of cases quite accurate, inaccuracies being more often than not due to the desire to hurry the budget work. Budgetary control has we are convinced, assisted us in the elimination of waste in labor, and has brought to the attention of the executive extraordinary expenses, which otherwise might have passed unnoticed. In addition our cash budget is invaluable in directing the activities of the company."

TARIFF BOARD POWERS ARE RESTRICTED

The recent decision of the Supreme Court of Canada, whereby the authority of the Tariff Board is limited to the making of appraisals rather than rulings, and to dealing in matters of fact rather than matters of law, will mean that the decisions of the board, which were distinctly favourable to the British exporter, will be voided. The court was asked to rule on three questions: first, if the board had power to determine questions of law as distinct from questions of fact, to which the answer was "No"; second, whether the board had authority to determine that orders of the Minister of National Revenue fixing values for duty purposes existing prior to the 1932 amendment, were annulled by that amendment, to which the answer was also "No"; and third, whether the decisions of the board as to the value of goods for duty purposes are subject to the approval of the Minister of National Revenue, to which the answer was "Yes."

It will be recalled that it was the understanding of the British delegates to the Ottawa Conference that there would be a non-political body to which complaints regarding Canada's tariff policy might be submitted, but this decision would indicate that the board is in fact responsible to the political party of the day. The government evidently has no intention of extending the authority of the board at the present time.

COST AND MANAGEMENT

CHAPTER NOTES

MONTREAL

Reported by R. Schurman, C.A., secretary

The Fernie Shield, coveted Trophy awarded for largest increase in Chapter membership during the year, is again in the proud possession of the Montreal Chapter.

Chairman Dufresne formally took possession of the Shield at a Directors' Luncheon Meeting on Thursday, June 14th. Past Chairman Patton and his Membership Committee, are responsible for bringing the Shield "home" again, on account of their hard work last session, and now "we'll be worthy."

Already our big chief, Paul Dufresne, has made his 1935 targets, and lined up his sharpshooting Directors. From now on there will be plenty doing on the Montreal Range. Our minute-men are selected and the plan of campaign has been adopted. In next issue of "Cost and Management" we'll let you see it—no peekin' before then.

At the recent Annual Meeting of the Society in Toronto, representatives Smyth and Patton tried to uphold the traditions of Montreal, by asking for all that seemed good for us. We are appreciative of their efforts, but not entirely happy over the result. We are thankful for small mercies. But who cares for mere money anyway, when one can play golf?

Jean Paul Rolland extended an invitation for a long Saturday on the links at St. Jerome, and Percy Wright, with a Shawinigan electric touch, pushed a button that sent thirty-five members and their friends scurrying to the tees, the bunkers and the nineteenth hole, hearty and hilarious. What a day of good cheer, good companions, good eats and good speeches! If old General Public has a hunch that Cost Accountants are only active above the ears, then a seat or a stand on the side lines at a golf game, will soon correct such an impression. The boys who couldn't come, or wouldn't come, missed an outing that was worth while. Better luck to the delinquents next time.

TORONTO

Reported by W. A. McKague, General Secretary.

The 1934-35 executive of Toronto Chapter held a meeting on June 28th to prepare plans for the season. Mr. O. A. LeFrancois, of W. D. Beath & Son, Ltd., was appointed secretary of the Chapter, and Mr. J. M. McKee, of International Business Machines, Ltd., was added to the board to bring it up to the full number of 15. The general secretary's office will, as in the past two years, attend to the secretarial details for Toronto Chapter, and for this purpose an allowance of \$125 for the year, in the form of a rebate from the Chapter to the Society, was authorized. Notices of meetings are to be mailed separately from the magazine during the coming season.

It was decided to continue regular meetings at the Royal York Hotel, if suitable arrangements can again be made, though the Chapter has in mind other suitable places to which it could turn. It is again planned that dinners will cost the Chapter not over \$1 each, of which the chapter will absorb 25 cents from its funds, and charge

TREND OF PRODUCTION COSTS

the members attending 75 cents each. Meetings to start at 6 p.m. sharp.

The 14 directors of the Chapter, outside of the chairman, were named team captains. The basis for scoring attendance and membership gains is to be the same as last year. The general secretary was instructed to make up teams on the basis of past attendance, with the further suggestion that, where practicable, members from the same firm be kept on the one team, to simplify the work of the team captain.

Regret was expressed that there was not a larger attendance at the golf game at Lakeview Club on May 21st. It was suggested that, if possible, an announcement of a golf game be included in the program for the season. Those present undertook to help in any golf event which may be arranged later this summer, by Hamilton Chapter at a convenient point. About September 15th was suggested as a suitable time for this.

As to a program of meetings, which is the main work of the Chapter, it was decided to continue having eight regular meetings, but to supplement them by two meetings of a more social nature, one in early autumn and one later in the season. Meetings are to be on various days of the week. The following topics were suggested: Distribution of Factory Burden; Control of Materials; Business Taxation; Costs in the Pulp and Paper Industry; Office Machinery; and a debate by our members on a suitable subject. Messrs. Dean, Dingle and Spence were appointed a committee to arrange the program, in time for a Chapter executive meeting to be held in September. The following are dates tentatively suggested: Sept. 25 (Tuesday); Oct. 17 (Wednesday); Nov. 15 (Thursday); December 12 (Wednesday); Jan. 22 (Tuesday); Feb. 26 (Tuesday); Mar. 26 (Tuesday); April 18 (Thursday). It was suggested that social evenings might come after the first and fifth regular meetings.

THE TREND OF PRODUCTION COSTS

Commodity prices as measured by the Dominion Bureau of Statistics index number, which is based on the year, 1926, showed no change in May from the level of the previous month, the index recording 71.1. The following is comparison by main groups:

	May 1933	Apr. 1934	May 1934
Foods, beverages and tobacco	64.3	69.9	68.0
Other consumers' goods	75.1	77.3	76.9
All consumers' goods	70.7	74.3	73.3
Producers' equipment	84.9	88.0	89.2
Building & construction materials	75.6	83.1	83.3
Manufacturers' materials	58.3	61.0	61.6
All producers' materials	60.8	64.2	64.7
All producers' goods	63.2	66.6	67.2
All commodities	66.7	71.1	71.1

COST AND MANAGEMENT

TARIFF and TAXATION

DEPARTMENT OF NATIONAL REVENUE

Ottawa, June 6th, 1934.

FURTHER BUDGET RESOLUTIONS

Affecting the Excise Act and The Special War Revenue Act and
Amending Acts

As advised by Circular 751-C of the 18th of April, 1934, on and after the first day of July, 1934, the gallonage tax of twelve and one-half cents per gallon on beer, imposed by the Special War Revenue Act, is to be repealed and an increased rate of duty is to be levied on malt.

By amendment to the Budget Resolutions introduced on the 29th day of May, 1934, the following changes in Excise duties are proposed:

Malt, manufactured or produced in Canada	6c per pound
Malt imported into Canada	6c " "
Malt imported, crushed or ground	8c " "
Malt on hand, duty paid June 30, 1934	3c " "
Beer, brewed from malt and other materials	22c per gallon
Beer, brewed from malt and other materials, in storage June 30, 1934, upon which fifteen cents per gallon has been paid	7c " "
Beer, in storage June 30, 1934, brewed from duty paid malt	7c " "
Beer imported into Canada	7c " "
Unfermented wort, in storage June 30, 1934	7c " "

(1) On the 30th day of June, 1934, all duty paid malt on hand in all malthouses, breweries, or other licensed premises, as shown in stock books required to be kept under the Excise Act, by the licensees, shall be entered For Warehouse, and an Ex-Warehouse for Consumption entry shall then be passed forthwith for the quantity so warehoused and duty paid thereon at a rate of three (3) cents per pound.

(a) All malt in transit between licensed premises upon which duty at three cents per pound has been paid shall be entered For Warehouse and Ex-Warehouse for Consumption by the consignee, immediately upon arrival at its destination, and duty paid thereon at a rate of three cents per pound.

(2) All malt contained in brews of beer in process and recorded in the mash book under serial number of brew, etc., in the mash tub, kettle or fermenting tun, unfinished and not in storage on June 30, 1934, shall be regarded as malt on hand and be entered For Warehouse and Ex-Warehouse for Consumption immediately and the duty paid thereon at a rate of three cents per pound.

(3) All malt in bonding warehouse or in transit in bond on the 30th of June, 1934, shall be subject to duty at a rate of six (6) cents per pound.

(4) All beer of any description on hand in the brewery and on consignment on the 30th day of June, 1934, as ascertained by the officer in charge of the brewery and the licensee or his agent, shall be held as in warehouse (though not under Crown lock) and a For Warehouse entry passed therefor at a rate of duty of seven (7) cents per gallon.

(5) Beer brewed from malt and other materials, in warehouse in bond on the 30th of June, 1934, shall not be included in the foregoing,

TARIFF AND TAXATION

but shall be liable to duty at twenty-two (22) cents per gallon, payable when ex-warehoused.

(6) Duty on beer referred to in Section four (4) above shall be collected by an Ex-Warehouse for Consumption entry and duty at seven (7) cents per gallon collected thereon not later than the last day of each month on all beer shipped during the preceding month.

All beer sold on and after the 1st of July, 1934, shall be subject to this duty regardless of the rate of duty paid on the malt used in its manufacture, until the total gallonage as determined by the For Warehouse entry or entries has been accounted for.

(7) All beer subject to duty as provided by Section four (4) above at the seven (7) cent rate of duty shall be ex-warehoused and duty paid thereon not later than the 31st day of December, 1934.

(8) On or before the third day of July, 1934, each licensed brewer shall furnish a statement, in quadruplicate, to the Collector of Customs and Excise of the Port in which the brewery is located, setting forth the quantities of beer on hand in the brewery, in storage tanks and other containers, and on consignment, at the close of business June 30, 1934; this statement to be attested to by the Brewmaster and a chief executive of the licensee. One copy of this sworn statement is to be retained by the licensee, and the other three copies are to be delivered to the Collector of the Port, who will forward one copy to the Excise Inspector of the district, one copy to the Commissioner of Excise, Ottawa, Ontario, and retain the other copy for his files. This statement will be accepted by the Department, subject to verification and adjustment, if necessary.

(9) All unfermented wort (sweet wort) suitable for brewing of beer, on hand on the 30th day of June, 1934, will be subject to a gallonage duty of seven (7) cents, which will be collected in the same manner as prescribed for beer.

(10) The date "30th of June, 1934," as referred to herein, shall be deemed to be at the close of business on that date.

Ottawa, June 7th, 1934.

As advised by Circular 751-C of the 18th of April, 1934, on and after the first day of July, 1934, the tax of twenty cents per pound imposed on Malt Syrup, suitable for the brewing of beer, by the Special War Revenue Act, is to be repealed and a duty of Excise imposed in lieu thereof.

By amendment to the Budget Resolutions introduced on the 29th day of May, 1934, the following changes are proposed in the rates of Excise Duty applicable to this product:

Malt Syrup suitable for the brewing of beer:

	Per pound
(a) Manufactured or produced in Canada and on hand June 30, 1934	13c.
(b) Manufactured or produced in Canada on and after the first day of July, 1934	10c.
(c) Imported into Canada and entered for consumption	16c.
(1) Malt in process of manufacture of Malt Syrup suitable for the brewing of beer, on June 30, 1934, shall be deemed to be malt on hand, and be Warehoused and Ex-Warehoused for Consumption immediately and the duty paid thereon at a rate of three cents per pound.	
(2) All Malt Syrup suitable for the brewing of beer, on hand in the bonded manufactory and on consignment on the 30th day of June, 1934, as ascertained by the officer in charge of the factory and the licensee or his agent, shall be held as in warehouse (though not under	

COST AND MANAGEMENT

Crown lock) and a For Warehouse entry passed therefor at a rate of duty of thirteen cents per pound.

(3) All entries for consumption of Malt Syrup, suitable for the brewing of beer, on and after the first day of July, 1934, shall be subject to this duty regardless of the rate of duty paid on the malt used in its manufacture, until the total quantity as determined by the For Warehouse entry or entries has been accounted for.

(4) On or before the third day of July, 1934, each bonded manufacturer of such Malt Syrup shall furnish a statement, in quadruplicate, to the Collector of Customs and Excise of the Port in which the manufactory is located, setting forth the quantities of such Malt Syrup on hand in the factory and on consignment at the close of business June 30, 1934; this statement to be attested to by the superintendent of the factory and a chief executive of the licensee.

One copy of this sworn statement is to be retained by the licensee, and the other three copies are to be delivered to the Collector of the Port, who will forward one copy to the Commissioner of Excise, Ottawa, Ontario, one copy to the Excise Inspector of Bonded Factories, Toronto, Ontario, and retain the other copy for his files. These statements will be accepted by the Department, subject to verification and adjustment, if necessary.

(5) The date "30th of June, 1934," as referred to herein, shall be deemed to be at the close of business on that day.

(6) On and after the first day of July, 1934, there shall be imposed, levied and collected on Malt Syrup, suitable for the brewing of beer, imported into Canada or taken out of warehouse or manufactured or produced in Canada, the above mentioned duties of Excise by means of stamps affixed to the packages in which such Malt Syrup is entered for consumption. Such Malt Syrup shall only be entered for consumption, sold or offered for sale, in standard containers of two, two and one-half and three pounds net weight.

In the case of such Malt Syrup produced in Canada, the stamps shall be affixed and cancelled by the person entering the goods for consumption, before the goods leave his premises.

All Malt Syrup, suitable for the brewing of beer, imported shall have the stamps affixed and cancelled by the owner or importer thereof while in the custody of the proper officers and shall not pass out of the custody of the said officers until the said stamps have been so affixed and cancelled, and shall be put up in packages as prescribed for Malt Syrup in Canada before the stamps are affixed: Provided, that imported Malt Syrup intended for removal in bond to another Port or place in Canada may be removed to such other Port under Departmental regulations.

Excise stamps in the above mentioned denominations have been prepared which will be supplied to Collectors of Customs and Excise upon requisition therefor.

VALUES FOR DUTY

Ottawa, May 1st, 1934

CUCUMBERS

By an Order in Council passed under Section 43 of the Customs Act, the Honourable the Minister of National Revenue was authorized to fix the value for duty of Cucumbers, and he has, under such authority, fixed the value for duty thereof at the following advance on the true invoice value if in Canadian funds, or its equivalent in Canadian funds, converted at the rate of exchange on the date of shipment, including all charges up to the point of direct shipment to Canada, when imported during the period specified:

TARIFF AND TAXATION

	Per lb.	From	Until
Cucumbers	3½c.	15th May,	31st Oct. (Both dates inclusive)

when entered under the Intermediate or General Tariff.

In the case of goods shipped on consignment without sale prior to shipment, the value for duty shall be the value as sold for home consumption at the time and place of direct exportation to Canada converted into Canadian funds at the rate of exchange on the date of shipment plus the above advance.

Provided that the value for duty shall in no case be less than the value as sold for home consumption at the time and place of original shipment plus all charges to the point of direct exportation to Canada, converted into Canadian funds at the rate of exchange on the date of shipment to Canada, plus the above advance.

The provisions of Section 6 of the Customs Tariff Act to apply, and goods shipped on consignment without sale prior to shipment will be subject to the same special duty as if the goods had been sold prior to shipment at aforesaid home consumption value.

Provided, however, that goods shall not be entered at less than their true invoice value.

Ottawa, 25th May, 1934.

BEETS, BRUSSELS SPROUTS, CAULIFLOWER

By Orders in Council passed under Section 43 of the Customs Act, the Honourable the Minister of National Revenue was authorized to fix the value for duty of Beets, Brussels Sprouts, and Cauliflower, and he has, under such authority, fixed the value for duty thereof at the following advances on the true invoice value if in Canadian funds, or its equivalent in Canadian funds, converted at the rate of exchange on the date of shipment, including all charges up to the point of direct shipment to Canada, when imported during the periods specified:

	Per lb.	From	Until
Beets	2c.	1st June	20th January
Brussels Sprouts	1c.	27th May	20th January
Cauliflower	4c.	1st June	30th November (All dates inclusive)

when entered under the Intermediate or General Tariff.

In the case of goods shipped on consignment without sale prior to shipment, the value for duty shall be the value as sold for home consumption at the time and place of direct exportation to Canada converted into Canadian funds at the rate of exchange on the date of shipment, plus the above advances.

Provided that the value for duty shall in no case be less than the value as sold for home consumption at the time and place of original shipment plus all charges to the point of direct exportation to Canada, converted into Canadian funds at the rate of exchange on the date of shipment to Canada, plus the above advances.

The provisions of Section 6 of the Customs Tariff Act to apply, and goods shipped on consignment without sale prior to shipment will be subject to the same special duty as if the goods had been sold prior to shipment at aforesaid home consumption value.

Ottawa, 4th June, 1934.

GREEN PEAS, TOMATOES

By Orders in Council passed under Section 43 of the Customs Act, the Honourable the Minister of National Revenue was authorized to fix the value for duty of Green Peas and Tomatoes, and he has,

COST AND MANAGEMENT

under such authority, fixed the value for duty thereof at the following advances on the true invoice value if in Canadian funds, or its equivalent in Canadian funds, converted at the rate of exchange on the date of shipment, including all charges up to the point of direct shipment to Canada, when imported during the periods specified:

	Per lb.	From	Until
Green Peas	$2\frac{1}{2}$ c.	12th June	21st October
Tomatoes	3c.	12th June	15th December (All dates inclusive)

when entered under the Intermediate or General Tariff.

In the case of goods shipped on consignment without sale prior to shipment, the value for duty shall be the value as sold for home consumption at the time and place of direct exportation to Canada converted into Canadian funds at the rate of exchange on the date of shipment, plus the above advances.

Provided that the value for duty shall in no case be less than the value as sold for home consumption at the time and place of original shipment plus all charges to the point of direct exportation to Canada, converted into Canadian funds at the rate of exchange on the date of shipment to Canada, plus the above advances.

The provisions of Section 6 of the Customs Tariff Act to apply, and goods shipped on consignment without sale prior to shipment will be subject to the same special duty as if the goods had been sold prior to shipment at aforesaid home consumption value.

Ottawa, 6th June, 1934.

APRICOTS, RASPBERRIES & LOGANBERRIES, CABBAGE, CARROTS

By Orders in Council passed under Section 43 of the Customs Act, the Honourable the Minister of National Revenue was authorized to fix the value for duty of Apricots, Raspberries and Loganberries, Cabbage and Carrots, and he has, under such authority, fixed the value for duty thereof at the following advances on the true invoice value if in Canadian funds, or its equivalent in Canadian funds, converted at the rate of exchange on the date of shipment, including all charges up to the point of direct shipment to Canada, when imported during the periods specified:

	Per lb.	From	Until
Apricots	2c.	15th June	10th August
Raspberries and Loganberries	3c.	15th June	31st August
Cabbage	$2\frac{1}{2}$ c.	10th June	15th February
Carrots	$2\frac{1}{2}$ c.	15th June	15th February (All dates inclusive)

when entered under the Intermediate or General Tariff.

In the case of goods shipped on consignment without sale prior to shipment, the value for duty shall be the value as sold for home consumption at the time and place of direct exportation to Canada converted into Canadian funds at the rate of exchange on the date of shipment, plus the above advances.

Provided that the value for duty shall in no case be less than the value as sold for home consumption at the time and place of original shipment plus all charges to the point of direct exportation to Canada, converted into Canadian funds at the rate of exchange on the date of shipment to Canada, plus the above advances.

The provisions of Section 6 of the Customs Tariff Act to apply, and goods shipped on consignment without sale prior to shipment will be subject to the same special duty as if the goods had been sold prior to shipment at aforesaid home consumption value.

TARIFF AND TAXATION

Ottawa, 8th June, 1934.

CHERRIES

By an Order in Council passed under Section 43 of the Customs Act, the Honourable the Minister of National Revenue was authorized to fix the value for duty of Cherries, and he has, under such authority, fixed the value for duty thereof at the following advance on the true invoice value if in Canadian funds, or its equivalent in Canadian funds, converted at the rate of exchange on the date of shipment, including all charges up to the point of direct shipment to Canada, when imported during the period specified:

	Per lb.	From	Until
Cherries	5c.	12th June	31st August (Both dates inclusive)

when entered under the Intermediate or General Tariff.

In the case of goods shipped on consignment without sale prior to shipment, the value for duty shall be the value as sold for home consumption at the time and place of direct exportation to Canada converted into Canadian funds at the rate of exchange on the date of shipment, plus the above advances.

Provided that the value for duty shall in no case be less than the value as sold for home consumption at the time and place of original shipment plus all charges to the point of direct exportation to Canada, converted into Canadian funds at the rate of exchange on the date of shipment to Canada, plus the above advances.

The provisions of Section 6 of the Customs Tariff Act to apply, and goods shipped on consignment without sale prior to shipment will be subject to the same special duty as if the goods had been sold prior to shipment at aforesaid home consumption value.

Ottawa, 12th June, 1934.

CELERY

By an Order in Council passed under Section 43 of the Customs Act, the Honourable the Minister of National Revenue was authorized to fix the value for duty of Celery, and he has under such authority, fixed the value for duty thereof at the following advance on the true invoice value if in Canadian funds, or its equivalent in Canadian funds, converted at the rate of exchange on the date of shipment, including all charges up to the point of direct shipment to Canada, when imported during the period specified:

	Per lb.	From	Until
Celery	1 cent	25th June	15th February (Both dates inclusive)

when entered under the Intermediate or General Tariff.

In the case of goods shipped on consignment without sale prior to shipment, the value for duty shall be the value as sold for home consumption at the time and place of direct exportation to Canada converted into Canadian funds at the rate of exchange on the date of shipment, plus the above advances.

Provided that the value for duty shall in no case be less than the value as sold for home consumption at the time and place of original shipment plus all charges to the point of direct exportation to Canada, converted into Canadian funds at the rate of exchange on the date of shipment to Canada, plus the above advances.

The provisions of Section 6 of the Customs Tariff Act to apply, and goods shipped on consignment without sale prior to shipment will be subject to the same special duty as if the goods had been sold prior to shipment at aforesaid home consumption value.

COST AND MANAGEMENT

Ottawa, 13th June, 1934.

Superseding Appraisers' Bulletin No. 3761

VALUE OF OAK FLOORING

Under the provisions of Section 36 (2) of the Customs Act, the lowest values for duty purposes of Oak Flooring per 1,000 feet board measure at the place of production in the Southern United States are, as follows:

Finished Sizes

	13/16" x 2 1/4"	13/16" x 2"	13/16" x 1 1/2"	3/8" x 2"	5/16" x 1 1/2"	5/16" x 2"
Clear Quartered White . . .	\$115.00	\$89.00	\$79.00	\$79.00	\$103.00	
Clear Quartered Red . . .	97.00	81.50	66.00	66.00	91.00	
Select Quartered White . . .	78.50	67.50	52.00	52.00	71.00	
Select Quartered Red . . .	70.00	66.50	51.50	51.50	69.00	
Clear Plain White	78.00	73.00	61.00	61.00	78.00	
Clear Plain Red	74.00	72.00	52.50	52.50	72.50	
Select Plain White	71.00	67.50	51.50	51.50	71.00	
Select Plain Red	70.00	66.50	50.50	50.50	62.50	
No. 1 Common White	54.00	45.00	40.00	40.00	46.00	
No. 1 Common Red	54.00	45.00	40.00	40.00	46.00	
No. 2 Common Mxd.	28.00	24.00	21.50	21.50	20.00	
No. 1 Common and Better Shorts 10" x 18"	42.00	32.00	25.00	25.00	27.00	

Counted Sizes

1" x 3"	1" x 2 3/4"	1" x 2 1/2"	1" x 2 1/2"	1" x 2"	1" x 2"	1" x 2"

The above mentioned values are subject to a discount of 5 per cent on importations by wholesalers selling to dealers.

The provisions of Section 6 of the Customs Tariff Act apply.

OAK FLOORING GRADING RULES

Clear Grade (First). The face shall be all heartwood and practically free of defects.

Bundles to be 2' and up, not to exceed 20 per cent under 4'. Average length 5'.

Select Grade (Second). May contain sap and will admit pin worm holes, streaks, slight imperfections in working or a small tight knot, not to exceed one to every 4' in length.

Bundles to be 2' and up. Average length 4'.

No. 1 Common (Third). Shall be of such nature as will make and lay a sound floor without cutting.

Bundles to be 2' and up. Average length 3'.

No. 2 Common Grade (Fourth) may contain defects of all characters but will lay a serviceable floor.

Bundles to be 1 1/4' and up. Average length 2 1/2'.

DEPARTMENTAL RULINGS

Wax of the paraffine series, in order to be classified under tariff item 224 as paraffine wax, shall have a melting point below 59 1/2 degrees Centigrade. Wax of this series which has a melting point of 59 1/2 degrees Centigrade or over shall be classified as mineral wax, n.o.p., under tariff item 225.

This ruling is in effect on and after 2nd January, 1934, and supersedes the ruling in Appraisers' Bulletin No. 3979, file No. 122751.

Books relating to chemistry and which deal with the application of the science of chemistry to an industry or industries, are admissible under tariff item 172.

TARIFF AND TAXATION

Zinc sheets, nickel-plated on one side only, are admitted under tariff item 346. Zinc sheets, nickel-plated on both sides, are dutiable under tariff item 362.

This ruling supersedes the ruling on Appollo zinc sheets in Appraisers' Bulletin No. 2867.

Edging knife, also known as turf edger, a cutting tool with the edge on the convex side, used for cutting the edges of paths, roads, flower beds, etc., in turf, is classified under tariff item 409i.

This Bulletin dated April 10, 1934, supersedes Appraisers' Bulletin No. 3839, and is in effect on and after the 12th December, 1933.

Tinplates in sizes, weights or gauges and tin coatings, as indicated hereunder, in the following qualities: Coke, Best Coke, Best Best Coke, Kanners Special, and Stove Board, and in 1-A and 2-A Charcoal, are held to be of a class made in Canada, and are classified under Tariff Item 383 (b).

- (a) Up to 20" wide x 28" long, inclusive, in weights from 60-inch base (.0069 gauge) to 176-inch base (.0201 gauge), inclusive, having a coating of tin of less than .3 oz. per square foot.
 - (b) Over 20" wide x 28" long and up to 30" wide x 40" long, inclusive, in weights from 60-inch base (.0069 gauge) to 156-inch base (.0181 gauge), inclusive, having a coating of tin of less than .3 oz. per square foot.
- The following tinplates and tinned sheets are of a class not made in Canada, and are classified under Tariff Item 383 (a):—
- (a) All sizes and weights or gauges having a coating of tin of .3 oz. or more per square foot.
 - (b) All tinplates or tinned sheets in sizes over 30" wide or over 40" long.
 - (c) Up to 20" wide x 28" long, inclusive, in weights less than 60-inch base (.0069 gauge) or over 176-inch base (.0201 gauge), having a coating of tin of less than .3 oz. per square foot.
 - (d) Over 20" wide x 28" long and up to 30" wide x 40" long, inclusive, in weights less than 60-inch base (.0069 gauge) or over 156" base (.0181 gauge), having a coating of tin of less than .3 oz. per square foot.

Note:—Invoices covering tinplates and tinned sheets claimed to be of a class not made in Canada shall have set forth thereon the sizes, weights or gauges, and the weight of the tin coating. Otherwise, they are to be entered under Tariff Item 383 (b).

TARIFF BOARD DECISIONS

Decisions of the Tariff Board on Appeals under provisions of Part II of the Tariff Board Act.

At the Sitting on the 12th December, 1933.

Appeal No. 21.

In the matter of the appeal by Toronto Wholesale Fruit Merchants' Association, Toronto, against a ruling of the Department that saw-dust in which grapes are packed shall be included with the lug or box in the weight for Customs duty purposes.

Ruling on the 20th December, 1933: "Appeal dismissed."

At the Sitting on the 6th February, 1934.

Appeal No. 31.

In the matter of the appeal by Sanahan Chemicals Ltd., Vancouver, against a ruling of the Department that "Kemtac Corn Flour" is dutiable under tariff item 232d.

Ruling on the 6th February, 1934: "Appeal dismissed."

Appeal No. 32.

COST AND MANAGEMENT

In the matter of the appeal by Lever Brothers Limited, Toronto, against a ruling of the Department that iron or steel drums imported containing crude glycerine and which are returned to the exporters to be refilled are dutiable under tariff item 446a, in accordance with the provisions of tariff item 710, par. (e).

Ruling on the 9th February, 1934: "Appeal dismissed."

DEPRECIATION—A REVIEW OF PROBLEMS OF REGULATION OF PUBLIC UTILITIES

DURING the history of public utility regulation probably no single question has occasioned more controversy and difficulties than the treatment of depreciation. The various phases of depreciation have not only proved extremely perplexing, but it is quite apparent that utility regulation cannot be uniformly effective without a clear and rational understanding of the nature of this entire subject. Every regulatory commission has numerous examples in its own experience of the importance of this question for probably no other single factor is of greater significance in determining fair value and reasonable costs of operation.

The principal causes for almost universal disagreement and misunderstanding are:

The complex nature of the subject with its intermingling of engineering, accounting, legal, commercial and economic considerations;

The inconsistent and variable practices that have grown up among the utilities;

The conflicting and often confused interpretations of the general pronouncements of courts upon the subject.

Because of differing views of depreciation, discussions of the subject, even by competent men, have tended to create biases which muddle rather than clarify the issue. Thus some persons have tended to overemphasize the physical condition of property as the controlling factor of depreciation. Others have stressed the pecuniary and accounting phases—the cost of property being consumed in furnishing service. Views of legal ownership of property and protection from confiscation have been interjected into the general concepts of depreciation. Many others have emphasized the usefulness of property as the important consideration, or have approached depreciation from the standpoint of the financial requirements or condition of the enterprise. Finally conceptions of market value have been introduced as a factor in determining depreciation.

In this confusion of point of view, argument, and terminology, the Commission believed the greatest aid to a clarification of the subject would be:

1. A brief statement of the outstanding depreciation problems presented to commissions;
2. A summary of important terms and practices;
3. A review of existing law on the subject, to furnish a common starting point for reconciling conflicting views and encouraging a more uniform treatment of depreciation;
4. An outline of desirable changes in the law and of a consistent depreciation policy as an ultimate objective.

Because it has been found that much of the controversy and confusion in this subject arise from attaching different meanings to depreciation, early in this book the Wisconsin Commission's under-

PROBLEMS OF REGULATION OF PUBLIC UTILITIES

standing of the term is explained, for this is the premise upon which its views of an ultimate depreciation policy rest. It is believed further that, as a practical matter, future progress made by commissions toward this ultimate depreciation policy depends in great measure upon clarifying and, to some extent, modifying present legal principles.

With this in mind, the Commission has surveyed the leading court cases involving depreciation and where the information was available, the pertinent portions of the case records have also been examined. Study for the most part has been restricted to cases before the Federal courts as the large number of state court and commission cases precluded a detailed analysis of each.

The book is published by the State Law Reporting Company, New York, N.Y., Official Publishers of the National Association of Railroad and Utilities Commissioners. The book covers 200 pages. Price, \$1.85 (cloth), plus postage.

PROBLEMS OF REGULATIONS OF PUBLIC UTILITIES

The National Association of Railroad and Utilities Commissioners, an organization comprising the Interstate Commerce Commission and the regulating commissions of the several States, for years has been trying to harmonize Federal and State regulation so that conflicts between them shall be eliminated or reduced to the minimum. To this end, the National Association some years ago appointed a Committee on Cooperation Between Federal and State Commissions. Substantial results have followed the work of this committee and the corresponding committee of the Interstate Commerce Commission so that, instead of independent and often conflicting action, the Federal and the State commissions have participated in joint proceedings which have prevented much litigation and obviated delays in settling cases in which the Federal government and the State commissions were jointly interested.

The extent to which this cooperation has gone and the benefits derived therefrom are vividly set forth in the Proceedings of the 1933 convention of the Association, held in Cincinnati, October 10 to 13, 1933. This convention furthered the policy of cooperation by recognizing the right of the Federal government to control interstate operation of motor buses and motor trucks. It approved a bill to be introduced in the present Congress, providing for Federal regulation of the same, with initial jurisdiction in the State commissions as agents of the Federal government.

The subject was discussed at length at the Cincinnati convention and Hon. Joseph B. Eastman, Federal Coordinator of Transportation, submitted an informative letter, the presentation of which was followed by a report from the Committee on Motor Vehicle Transportation, of which Hon. Ernest O. Thompson, of the Texas Railroad Commission, is chairman; by the report of the Special Committee on Motor Vehicle Legislation, of which Hon. Robert H. Dunn, of the Michigan Public Utilities Commission, is chairman, and by addresses by Hon. Andrew R. McDonald, of the Wisconsin Public Service Commission, who is chairman of the Association Committee on Legislation, and by Hon. Kit F. Clardy, Chairman of the Michigan Public Utilities Commission.

This book is published by the State Law Reporting Company, 30 Vesey Street, New York City, the official reporters and publishers of the National Association of Railroad and Utilities Commissioners.

REFERENCE LITERATURE

RECEIVED IN JUNE

- Cost Protection & Pricing. The Certified Public Accountant, June.
Distribution, Costing. The Cost Accountant, May.
Cotton Mills & The Futures Market. N.A.C.A. Bulletin, June 1.
Telephone Business, Cost Distribution in the. N.A.C.A. Bulletin,
June 1.
Unemployment Insurance. N.A.C.A. Bulletin, June 15.
Retirement Plans in Industry. N.A.C.A. Bulletin, June 15.
Motor Transportation, Accounting for Passenger. The Account-
ant, June 16.
Office Work, The Costing of. The Accountant, June 16.

The Accounting Profession

(From the Montreal Gazette)

"OUR profession has not been accorded the protection extended to other bodies," declared Lorenzo Belanger, C.G.A., C.P.A., when speaking before the General Accountants Association, Montreal branch, recently. "The Bank Act, for instance, is most complete as to duties and responsibilities, but what measure of protection is afforded to the auditor in respect to reports from branches and verbal information?" he asked in further explanation of this statement.

Discussing the preparation of auditors for responsibility Mr. Belanger dealt fairly comprehensively with the relationship of this member of the business world to the legal profession and directors of business. "The lawyer loses a case—it is because the judge did not understand it, and the lawyer gets his honorarium. The doctor loses his patient. It is because the heart failed to respond and the doctor collects his bill. The business dies suddenly or violently—the auditor erred or has been falsely informed, and the auditor does not collect," he said in a survey of the difficult position in which his confreres are liable to find themselves.

Dividing the problem of responsibility into "moral and legal," the speaker dealt mainly with the former. He said that the two were, however, often confused.

Accountancy was assumed by Mr. Belanger to be an exact science and by his interpretation he seemed to treat bookkeeping itself as the art of its application. "It is difficult to draw the line between art and science and more so between bookkeeping and accounting," he argued. "Some think that the accountant's role is limited to the detection of fraud or to bankruptcy cases. They are hardly to blame, for some accountants are of the same opinion. Their work consists in checking and balancing without any attention to distribution," he stated.

The care which the accountant should have against encroaching on other professions was pointed out, and a word of advice given that clarity was essential in his work, for lack of it led to litigation and other bad results; while ignorance and innocence of wrongful intention are no answer to a charge of neglect of duty.

PRINCIPAL OFFICERS OF THE SOCIETY SINCE ORGANIZATION

A STATISTICAL REVIEW OF THE SOCIETY'S MEMBERSHIP AND FINANCES

MEMBERSHIP

Year	Montreal	Toronto	Hamilton	Central Ontario	Winnipeg	Vancouver	Elsewhere	Total
1927	77	114	32	—	—	—	21	244
1928	76	90	27	—	—	—	46	239
1929	92	89	34	—	40	—	29	284
1930	98	92	36	18	35	—	—	279
1931	120	94	34	19	29	33	—	329
1932	135	167	45	23	32	25	—	427
1933	114	144	38	16	22	13	—	347
1934	115	139	34	11	20	8	—	327

FINANCES OF THE SOCIETY

Year	Revenue	Expenditure	Surplus or Deficit	Accumulated Surplus	Assets	Liabilities
1925	4,420.66	4,465.34	15.32	579.67	871.73	292.06
1926*	6,201.87	6,493.82	-291.95	287.72	1,047.11	759.39
1927*	7,287.77	7,425.99	-138.22	149.50	736.00	586.50
1928	4,585.00	4,295.54	289.46	433.96	788.96	350.00
1929	5,366.30	4,330.37	1,035.93	1,474.89	2,184.89	710.00
1930	5,844.69	5,323.97	520.72	1,995.61	3,010.61	1,015.90
1931	6,850.94	6,269.29	581.65	2,577.26	3,680.26	1,103.00
1932†	6,182.12	5,711.67	470.45	3,047.71	3,648.26	600.55
1933	5,737.80	5,283.19	454.61	3,502.32	3,588.57	86.25
1934	5,228.97	4,992.97	236.00	3,858.32	3,738.32	120.00

*In 1926 and 1927 revenues and expenditures include annual special convention items.

†In 1932 the annual membership fee was reduced from \$20 to \$15.

CHAPTER FINANCES

Year	Total Chapter Allowances	Montreal	Toronto	Hamilton	Central Ontario	Winnipeg	Vancouver	Total
1928	743.93	179.22	5.65	65.02	—	—	—	249.89
1929	1,050.30	301.52	97.08	33.32	—	20.73	—	452.65
1930	1,133.00	443.58	201.96	58.11	12.85	73.46	—	789.96
1931	1,262.68	467.45	227.04	61.85	35.01	171.55	24.93	987.83
1932	1,194.04	405.56	276.59	43.54	64.07	191.94	7.17	988.87
1933	1,327.63	286.53	390.66	52.62	67.17	298.72	63.21	1,063.91
1934	1,263.97	48.60	418.25	44.62	55.12	250.59	76.84	894.02

PRINCIPAL OFFICERS OF THE SOCIETY SINCE ORGANIZATION DOMINION

Year	President	Vice-Presidents	Secretary	Treasurer
1920-21	Geo. Edwards, F.C.A.	Jas. Hutchison, C.A.	W. J. Valleeau	W. J. Valleeau
1921-22	Geo. Edwards, F.C.A.	R. J. Dilworth, F.C.A.	W. J. Valleeau	W. J. Valleeau
1922-23	Geo. Edwards, F.C.A.	R. J. Dilworth, F.C.A.	W. J. Valleeau	W. J. Valleeau
1923-24	Geo. Edwards, F.C.A.	R. J. Dilworth, F.C.A.	M. G. Dolan	John Craig
1924-25	R. L. Wright	Wm. Carswell, C.A.	Henry Glover	G. H. Houston
	Wm. Carswell, C.A.	R. J. Dilworth, F.C.A.		
1925-26	Wm. Carswell, C.A.	R. J. Dilworth, F.C.A.	S. B. Peckham	G. H. Houston
		John Caig		
1926-27	John Craig	L. Belanger, L.A.	R. S. Smith	G. H. Houston
		James Turner, C.A.		
1927-28	L. Belanger, C.P.A.	James Turner, C.A.	L. P. Lortie, C.A.	G. H. Houston
		R. R. Thompson, C.A.	(Editor and manager, W. A. McKague)	
1928-29	James Turner, C.A.	R. R. Thompson, C.A.	G. C. Leroux, C.P.A.	G. H. Houston
		E. Love	(General Sec'y, W. A. McKague)	
1929-30	R. R. Thompson, C.A.	H. E. Guilfoyle, C.A.	G. C. Leroux, C.P.A.	G. H. Houston
		H. E. Guilfoyle, F.C.A.	(General Sec'y, W. A. McKague)	
1930-31	S. E. LeBrocq	H. E. Guilfoyle, F.C.A.	G. C. Leroux, C.P.A.	G. H. Houston
		W. J. Mundell, C.A.	(General Sec'y, W. A. McKague)	
1931-32	H. E. Guilfoyle, F.C.A.	W. J. Mundell, C.A.	G. E. F. Smith, C.A.	G. H. Houston
		L. A. Peto	(General Sec'y, W. A. McKague)	
1932-33	L. A. Peto	W. J. Mundell, C.A.	G. E. F. Smith, C.A.	K. A. Mapp, F.C.A.
		G. H. Houston	(General Sec'y, W. A. McKague)	
1933-34	G. H. Houston	W. J. Mundell, C.A.	A. E. Keen, C.A.	K. A. Mapp, F.C.A.
		R. W. Louthood	(General Sec'y, W. A. McKague)	
1934-35	W. J. Mundell, C.A.	R. W. Louthood	G. T. Bowden, M.C.I.K. A. Mapp, F.C.A.	
		H. P. Wright	(General Sec'y, W. A. McKague)	

COST AND MANAGEMENT

MONTREAL CHAPTER (Organized 1924)

Year	Chairman	Vice-Chairman	Secretary	Treasurer
1924-25	Wm. Carswell, C.A.	L. A. Peto	D. M. Farish, C.A.	S. B. Peckham
1925-26	D. M. Farish, C.A.	A. Richards	E. W. King	C. E. Whitten
1926-27	L. Belanger, C.P.A.	R. R. Thompson, C.A.	F. Fernie	C. E. Whitten
1927-28	R. R. Thompson, C.A.	G. C. Leroux	D. R. Patton, C.A.	C. E. Whitten
1928-29	G. C. Leroux, C.P.A.	L. A. Peto	D. R. Patton, C.A.	C. E. Whitten
1929-30	L. A. Peto	C. E. Whitten	D. R. Patton, C.A.	L. Rhodes
1930-31	G. T. Bowden, M.C.I.	J. P. Masterson, C.G.A.	H. W. Blunt, C.A.	L. Rhodes
1931-32	R. W. Louthood	J. P. Masterson, C.G.A.	R. Schurman, C.A.	L. Rhodes
1932-33	J. P. Masterson, C.G.A.	L. Rhodes	R. Schurman, C.A.	R. Joubert, C.A.
1933-34	D. R. Patton, C.A.	P. E. Dufresne	R. Schurman, C.A.	R. Joubert, C.A.
1934-35	P. E. Dufresne	P. W. Wright	R. Schurman, C.A.	R. Joubert, C.A.

TORONTO CHAPTER (Organized 1923)

Year	Chairman	Vice-Chairman	Secretary	Treasurer
1923-24	R. L. Wright	H. T. Jamieson, C.A.	N. M. Bassin	G. H. Houston
1924-25	H. T. Jamieson, C.A.	N. M. Bassin	R. S. Smith	M. J. Smith
1924-25	H. T. Jamieson, C.A.	Jno. Craig	T. S. Jardine	R. S. Smith
1926-27	T. S. Jardine	James Turner	D. C. Patton	C. H. Black
1927-28	James Turner, C.A.	H. E. Guilfoyle, C.A.	R. A. Burdett	R. A. Burdett
1928-29	J. E. Carruthers	D. C. Patton	J. R. Pidduck	H. A. Shiach, C.A.
1929-30	D. C. Patton	R. Oaten	H. J. McQuillan	H. A. Shiach, C.A.
1930-31	R. Oaten	K. A. Mapp, F.C.A.	E. W. Carpenter	H. A. Shiach, C.A.
1931-32	K. A. Mapp, F.C.A.	W. M. Lane	E. W. Carpenter	J. W. Spence
1932-33	W. M. Lane	J. W. Spence	E. W. Carpenter	S. H. Sorley, C.A.
1933-34	J. W. Spence	S. H. Sorley, C.A.	E. W. Carpenter	R. F. B. Taylor, C.A.
1934-35	S. H. Sorley, C.A.	G. R. M. Dingle	E. W. Carpenter	R. F. B. Taylor, C.A.

HAMILTON CHAPTER (Organized 1925)

Year	Chairman	Vice-Chairman	Secretary-Treasurer
1925-26	Geo. R. Kerr	W. G. Donaldson	S. G. Richardson, C.A.
1926-27	W. G. Donaldson	A. J. Finck	G. E. F. Smith, C.A.
1927-28	R. E. Love	A. E. Keen, C.A.	M. I. Long, C.A.
1928-29	S. E. LeBrocq	G. E. F. Smith, C.A.	M. I. Long, C.A.
1929-30	M. I. Long, C.A.	A. J. Finck	A. J. Mouncey
1930-31	G. E. F. Smith, C.A.	A. J. Mouncey	A. E. Keen, C.A.
1931-32	A. J. Mouncey	H. M. Ross	R. Dawson
1932-33	A. E. Keen, C.A.	A. J. Ballentyne	R. Dawson
1933-34	H. P. Wright	K. M. Horton	R. Dawson
1934-35	K. M. Horton	A. C. Frazer	R. Dawson

CENTRAL ONTARIO CHAPTER (Organized 1929)

Year	Chairman	Vice-Chairman	Secretary-Treasurer
1929-30	E. Tailby, L.A.	G. Earnshaw	C. J. Heinrich, L.A.
1930-31	E. Tailby, L.A.	G. Earnshaw	C. J. Heinrich, L.A.
1931-32	G. Earnshaw	C. J. Heinrich, L.A.	C. R. Dorschell
1932-33	G. Earnshaw	C. J. Heinrich, L.A.	C. R. Dorschell
1933-34	G. Earnshaw	C. T. Black	C. B. Taylor
1934-35	G. Earnshaw	C. T. Black	C. B. Taylor

WINNIPEG CHAPTER (Organized 1928)

Year	Chairman	Vice-Chairman	Secretary-Treasurer
1928-29	F. C. Gilbert, C.A.	W. J. Mundell, C.A.	G. A. Phare
1929-30	W. J. Mondell, C.A.	W. J. Logan	R. H. Sims
1930-31	John Parton, C.A.	E. J. Burleigh	T. E. Saul, C.A.
1931-32	E. J. Burleigh	J. B. Sutherland, C.A.	T. E. Saul, C.A.
1932-33	A. S. Pildrem	W. W. McVey, C.A.	T. E. Saul, C.A.
1933-34	A. S. Pildrem	W. W. McVey, C.A.	T. E. Saul, C.A.
1934-35	D. C. Hodson	J. G. Mundie, C.A.	G. H. Sheppard

VANCOUVER CHAPTER (Organized 1930)

Year	Chairman	Vice-Chairman	Secretary-Treasurer
1929-30	H. D. Campbell, C.A.	J. S. Dull	R. V. Kirby
1931-32	H. D. Campbell, C.A.	J. S. Dull	R. V. Kirby
1932-33	G. R. Baird	G. S. McGlashan	M. Willis
1933-34	G. R. Baird	G. S. McGlashan	M. Willis
1934-35	G. R. Baird	G. S. McGlashan	M. Willis

C.A.
C.A.